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PAGE 01 STATE 133017
ORIGIN EA-06

INFO OCT-01 ISO-00 ONY-00 /007 R

DRAFTED BY EA/TIMBS:STAFF:CCH
APPROVED BY EA/TIMBS:REFRITTS
DESIRED DISTRIBUTION
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R 250733Z MAY 78
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C O N F I D E N T I A L STATE 133017

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SUBJECT: WEEKLY STATUS REPORT -- THAILAND, INDONESIA,
MALAYSIA, BURMA AND SINGAPORE AFFAIRS

GENERAL

VICE PRESIDENT'S TRIP (CONF)

WE HAVE CATALOGUED AND REVIEWED REQUIRED ACTIONS STEMMING
FROM THE VICE PRESIDENT TRIPS TO JAKARTA AND BANGKOK.
STATUS REPORTS AND GUIDANCE AS APPROPRIATE HAVE BEEN PRO-
VIDED TO THE EMBASSIES. ONE OF THE MOST DIFFICULT PRO-
BLEMS FOR OUR RELATIONS WITH BOTH COUNTRIES WILL BE FMS.
FMS OVERALL TOTALS ARE DECLINING, THERE ARE OTHER PRIORITY
CLAIMANTS, AND SOME COUNTRIES WILL EVEN BE CUT IN FY-79
AS NEW CRISES ARISE. IN ADDITION, THE LONG SUBCOMMITTEE
HAS ALREADY-APPROVED A 20 PERCENT REDUCTION IN THE DEPT'S
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FY-79 PROPOSALS THUS EMPHASIZING FUTURE UNCERTAINTIES IN OUR
FY-79 AVAILABILITIES.

INDONESIA

DETAINEES (LOU)

THE GOI RELEASED 265 DETAINEES ON MAY 20 IN HONOR OF A MILITARY ANNIVERSARY. IT WAS NOT BILLED AS PART OF ANY ACCELERATED RELEASE OF THIS YEAR'S 10,000 AND WE ARE VIEWING IT AS A WELCOME NEW CONFIRMATION OF A CONTINUING TREND.

LNG PRICE ESCALATOR

REPRESENTATIVES OF THE CALIFORNIA COMPANIES ARE BACK IN THE U.S. AFTER COMPLETION OF THE LATEST PHASE OF NEGOTIATIONS WITH THE GOI ON THE STILL UNRESOLVED LNG PRICE ESCALATOR QUESTION. THE COMPANIES ARE HOPING FOR INFORMAL NOTICE OF WHETHER THE NEW PROPOSAL FAVORED BY THE INDONESIAN SIDE IS ACCEPTABLE IN PRINCIPLE TO DOE. IT IS POSSIBLE, HOWEVER, THAT A FORMAL APPLICATION WILL BE REQUIRED. IN ANY CASE THE JUNE 1 DEADLINE FOR SUBMISSION OF THE NEW PRICE ESCALATOR PROPOSAL WILL ALMOST CERTAINLY NOT BE MET AND A ONE MONTH EXTENSION WILL BE REQUESTED. THE OTHER MAIN ISSUE (SITING) IS ALSO IN A CRITICAL STAGE WITH RECOMMENDATION BY THE CALIFORNIA COASTAL COMMISSION EXPECTED VERY SHORTLY.

SPEAKER FOR INDONESIAN PETROLEUM ASSOCIATION (LOU)

WE HAVE BEEN INFORMED BY DOE THAT THEY NOW HAVE AN ACTIVE CANDIDATE FOR THE JOB OF ADDRESSING THE JUNE 6
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IPA MEETING. WE HOPE TO HAVE A FIRM, FAVORABLE REPLY SHORTLY.

PROPOSED GAO REVIEW OF ENERGY'S ROLE IN US-INDONESIA RELATIONS (LOU)

A GAO TEAM INTENDS TO CARRY OUT A RECURRENTLY DELAYED REVIEW IN JULY OF ENERGY ISSUES AND PROSPECTS IN US-INDONESIAN RELATIONS. WE HAVE HELD PRELIMINARY TALKS WITH THE TEAM IN AN ATTEMPT TO DEFINE THE TERMS OF REFERENCE. THE GROUP WOULD LIKE TO SPEND SEVERAL WEEKS IN INDONESIA, BUT GAO IS PREPARED TO REVIEW THE ISSUES INTENSIVELY IN WASHINGTON IN ORDER TO MINIMIZE TIME ABROAD. THE INDONESIAN STUDY FOLLOWS ONE ON SAUDI ARABIA AND PRECEDESONESIN MEXICO AND CANADA. THE GAO'S INITIAL PROPOSED TERMS OF REFERENCE ARE VERY BROAD INCLUDING A POLITICAL AND SECURITY ASSESSMENT OF INDONESIA'S WILLINGNESS AND ABILITY TO SUPPLY INCREASING US NEEDS FOR PETROLEUM. OUR INCLINATION IS TO FOCUS IT MORE PRECISELY. ONCE WE HAVE WORKED OUT THE TERMS OF REFERENCE, THEY WILL BE FORWARDED TO EMB JAKARTA FOR COMMENT PRIOR DISCUSSING THE PROPOSED STUDY WITH THE

INDONESIAN GOVERNMENT.

THAILAND

LAWYER FOR THAMMASAT 18 CALL ON DEPARTMENT (LOU)

THONGBAI THONGBAO, CHIEF DEFENSE COUNSEL FOR THE THAMMASAT 18, CALLED UNEXPECTEDLY ON TIMBS OFFICERS MAY 24. THONGBAI, WHO ALSO MET OFFICERS IN L AND HA, SAID HE IS ON A FIVE WEEK TOUR OF THE UNITED STATES, CANADA, THE U.K., FRANCE, SWEDEN AND SEVERAL OTHER EUROPEAN COUNTRIES TO SPEAK TO THAI GROUPS ABOUT THE STATUS OF THE THAMMASAT 18 CASE. THONGBAI WAS ACCOMPANIED BY AN AMERICAN FRIENDS SERVICE COMMITTEE
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REP (WHO IS ABOUT TO BE STATIONED IN LAOS) AND TWO THAI STUDENTS FROM WASHINGTON UNIVERSITIES WHO SERVED AS HIS INTERPRETERS.

IN DISCUSSING THE CASE, THONGBAI SAID THAT PRISON CONDITIONS HAD BEEN IMPROVED FOR THE STUDENTS JUST BEFORE THE VISIT OF ASST SEC DERIAN AND THAT THEY HAVE REMAINED BETTER THAN THOSE OF THE AVERAGE THAI PRISONER. THONGBAI EXPRESSED THE WELL KNOWN COMPLAINTS THAT THE TRIAL WAS BEING CONDUCTED IN A MILITARY COURT, NO APPEAL WAS POSSIBLE AND THAT THE TRIAL WAS TAKING TOO LONG. HE WAS CRITICAL OF THE VICE PRESIDENT'S RECENT VISIT TO THAILAND BECAUSE OF THE ABSENCE OF ANY APPARENT STATEMENTS ON HUMAN RIGHTS. (HE ALSO RAISED THE THAI PRESS MISUNDERSTANDINGS.) IN RESPONSE TO A QUESTION, HE SAID THAT THERE HAD BEEN "SUPERFICIAL" IMPROVEMENTS IN THE HUMAN RIGHTS SITUATION IN THAILAND UNDER THE KRIANGSAK GOVERNMENT, BUT THAT THE "FUNDAMENTAL PROBLEM" OF MARTIAL LAW REMAINED.

WE EXPLAINED THE GENERAL ELEMENTS OF OUR HUMAN RIGHTS POLICIES, PRESENTED OUR VIEW OF THE VICE PRESIDENT'S VISIT TO THAILAND AND PROVIDED THONGBAI WITH A COPY OF THE VP'S HONOLULU SPEECH.

PROPOSAL TO RELAX TEAK EXPORT BAN (LOU)

REPRESENTATIVE OF US HARDWOOD IMPORTERS ASSOCIATION HELD DISCUSSIONS EARLY MAY WITH THAI TEAK EXPORTERS AND BOARD OF TRADE (BOT) REGARDING POSSIBILITY OF LIFTING THE EXPORT BAN ON TEAK LOGS. WE UNDERSTAND PROPOSAL HAS BEEN PREPARED BY AGRICULTURE SUBCOMMITTEE FOR CABINET APPROVAL WHICH WOULD RELAX THE BAN BY REQUIRING
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FOREIGN BUYERS TO PURCHASE LONGER AND WIDER BOARDS. BOT AND THAI EXPORTERS ARE KEENLY AWARE OF 35 MILLION DOLS WORTH OF TEAK NOW STORED AT DOCKSIDE AWAITING THIS RTG CABINET DECISION. MEANWHILE, WE UNDERSTAND US TEAK

CONSUMERS, WHO HAVE USED UP THEIR TEAK INVENTORIES, ARE INCREASING PRESSURE ON CONGRESS FOR ACTION.

SINGAPORE

AMBASSADOR-DESIGNATE TO SINGAPORE RICHARD KNEIP (CONF)

GOVERNOR KNEIP SPENT THE WEEK OF MAY 15 IN WASHINGTON ON CONSULTATIONS PRIOR HIS APPEARANCE FOR SFRC CONFIRMATION HEARINGS ON MAY 23. THE COMMITTEE REPORTED FAVORABLY ON THE NOMINATION AND THE SENATE IS EXPECTED TO APPROVE IT SOON. GOVERNOR KNEIP PLANS TO RESIGN AS GOVERNOR OF SOUTH DAKOTA IN EARLY JULY, BE SWORN IN AND THEN TRAVEL TO POST IN MID-JULY.

PM LEE TO VISIT U.S. (UNCL)

EMBASSY SINGAPORE HAS LEARNED FROM THE AMERICAN BUSINESS COUNCIL THAT PM LEE HAS TENTATIVELY AGREED TO SPEAK TO THE INTERNATIONAL CHAMBER OF COMMERCE CONFERENCE TO BE HELD IN ORLANDO, FLORIDA, OCTOBER 1-6. WE DO NOT KNOW WHETHER PM LEE PLANS TO VISIT OR MAKE CALLS IN WASHINGTON.

SINGAPORE DELEGATION VISIT TO CAMBODIA

A SEVEN-MAN GOS DELEGATION VISITED CAMBODIA MAY 12-16 AND ESTABLISHED A "SPECIAL TRADING ARRANGEMENT". EMBASSY SINGAPORE COMMENTS THAT THE GOS CONTINUES TO WISH TO OPEN AND MAINTAIN COMMUNICATION CHANNELS WITH INDOCHINESE STATES, PARTLY TO HAVE A BETTER IDEA OF WHAT GOES ON IN THEM AND PARTLY TO ENCOURAGE TRADE AND OTHER LINKAGES IN
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HOPES OF ENCOURAGING MODERATE BEHAVIOR TOWARD ASEAN STATES.

MALAYSIA

PM HUSSEIN ON CURRENT ISSUES (CONF)

IN PREPARATION FOR HIS RETURN ON CONSULTATIONS JUNE 2,

AMB MILLER CALLED ON PM HUSSEIN TO DISCUSS REFUGEES, HUMAN RIGHTS, THE VICE PRESIDENT'S TRIP AND THE RECENT HUSSEIN-SUHARTO MEETING. SUHARTO TOLD HUSSEIN HE HAD BEEN PLEASED WITH THE VP'S VISIT AND STATEMENTS WHICH SHOWED THE INTEREST OF THE CARTER ADMINISTRATION TOWARD ASEAN. NEVERTHELESS SUHARTO (AND HUSSEIN) ARE CONCERNED THAT US INTEREST IN ASEAN CONTINUES TO BE DEMONSTRATED IN A PIECEMEAL FASHION WHEN COMPARED TO JAPAN'S "COMMITMENTS". SUHARTO ALSO RECONFIRMED CONTINUED DETAINEE RELEASES, FEARED PRC INFLUENCE AMONG ETHNIC CHINESE IN INDONESIA, AND WAS CONCERNED ABOUT PEKING AND TRIPOLI

INFLUENCE AMONG COMMUNISTS AND MOSLEM FANATICS. ON REFUGEES THE PM INDICATED THAT THE BURDEN IMPOSED ON MALAYSIA WOULD BE TOLERABLE AS LONG AS HE COULD POINT OUT DOMESTICALLY THAT AMERICA AND OTHER COUNTRIES WERE DOING THEIR FAIR SHARE.

THE AMB ALSO BROUGHT TO THE PM'S ATTENTION THE GROWING CONCERN OF THE USG OVER DETAINEES AS A FOCUS OF CRITICISM IN THE CONGRESS AND ELSEWHERE. THE PM REITERATED HIS DILEMMA. WHILE PERSONALLY HE WOULD PREFER AS A LAWYER AND PARLIAMENTARIAN NOT TO USE THE INTERNAL SECURITY ACT, IT WAS NECESSARY IN THE CIRCUMSTANCES. IN FACT, THERE WOULD BE AN OUTCRY AGAINST ANY ATTEMPT TO REPEAL THE ACT ITS LEGAL SAFEGUARD ARE FOLLOWED SCRUPULOUSLY. CONFIDENTIAL

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 may 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE133017
Document Source: CORE
Document Unique ID: 00
Drafter: STAFF:CCH
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780220-1070
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780518/aaaaapfm.tel
Line Count: 257
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9ba9ba96-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2565962
Secure: OPEN
Status: NATIVE
Subject: WEEKLY STATUS REPORT -- THAILAND, INDONESIA, MALAYSIA, BURMA AND SINGAPORE AFFAIRS GENERAL
TAGS: PEPR, XC, US
To: EA POSTS
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/9ba9ba96-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014